

**ORDER 2021-88
IN RE SETTLEMENT AGREEMENT**

**HORSESHOE HAMMOND, LLC
21-HH-02**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 25th DAY OF MAY, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
HORSESHOE HAMMOND, LLC)	21-HH-02
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Horseshoe Hammond, LLC (“Horseshoe”) (collectively, the “Parties”) desire to enter into this settlement agreement (“Agreement”) prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

FINDINGS OF FACT

COUNT I

1. IC 4-38-11-1 provides (a) the bureau shall provide information to a certificate holder concerning persons who are delinquent in child support.
 - (b) Prior to a certificate holder disbursing a payout of six hundred dollars (\$600) or more, in winnings, from sports wagering to a person who is delinquent in child support and who is claiming the winning sports wager in person at the certificate holder's facility, the certificate holder:
 - (1) may deduct and retain an administrative fee in the amount of the lesser of:
 - (A) three percent (3%) of the amount of delinquent child support withheld under subdivision (2)(A); or
 - (B) one hundred dollars (\$100); and
 - (2) shall:
 - (A) withhold the amount of delinquent child support owed from winnings;
 - (B) transmit to the bureau:
 - (i) the amount withheld for delinquent child support; and
 - (ii) identifying information, including the full name, address, and Social Security number of the obligor and the child support case identifier, the date and amount of the payment, and the name and location of the licensed owner, operating agent, or trustee; and
 - (C) issue the obligor a receipt in a form prescribed by the bureau with the total amount withheld for delinquent child support and the administrative fee.
 - (c) The bureau shall notify the obligor at the address provided by the certificate holder that the bureau intends to offset the obligor's delinquent child support with the winnings.
 - (d) The bureau shall hold the amount withheld from the winnings of an obligor for ten (10) business days before applying the amount as payment to the obligor's delinquent child support.
 - (e) The delinquent child support required to be withheld under this section and an administrative fee described under subsection (b)(1) have priority over any secured or

unsecured claim on winnings except claims for federal or state taxes that are required to be withheld under federal or state law.

2. Chapter 5, Section 2(2)(W) of the Emergency Rules for Sports Wagering provide prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for withholding winnings from delinquent child support obligors in accordance with IC 4-38-11, including a plan for complying with IC 4-38-11 if the sports wagering operator allows the redemption of tickets via mail.
3. 68 IAC 11-9-2(a) provides the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.
4. 68 IAC 11-1-3(c)(4) provides that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
5. Horseshoe's approved internal control procedures, E-8, describe the procedures for Child Support Intercept Process.
6. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry ("CSADR") for December 2020. The results of this audit found four (4) individuals were not searched through the CSADR system: three (3) at the time a taxable jackpot was won; and one (1) at the time sports wagering winnings in excess of \$600 was won.
7. Gaming Agents conducted an audit of the CSADR for February 2021. The results of this audit found one (1) individual was not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
8. Gaming Agents conducted an audit of the CSADR for March 2021. The results of this audit found one (1) individual was not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.

COUNT II

9. 68 IAC 15-13-2 provides the casino shall submit policies and procedures for manually paid jackpots.
10. Horseshoe's approved internal control procedures, E-9.2, describe the jackpot payout procedures.
11. On February 10, 2021, Gaming Agents became aware of a variance, a \$2,450.75 shortage, that occurred on February 9, 2021 at the Gold Bank. A Cage Cashier came up short when balancing her bank. After all money was re-verified and paperwork was re-added, it was determined that there was a jackpot slip with a W-2G that did not match. The jackpot was for \$2,250 and the W-2G was for \$4,700. The patron was paid out via a pouch pay

\$4,548.25 when the patron should have been paid out \$2,177.50 which left a shortage of \$2,370.75. The paperwork for the jackpot was brought to the Cage Cashier hours later when the Slot Attendant's pouch needed replenished, and the Cage Cashier worked off the dollar amount on the W-2G without double checking the jackpot slip and issued the replenishment. A Security Officer acted as a verifier and did not notice the error.

COUNT III

12. 68 IAC 6-3-4(b)(2) provides casinos shall establish internal control procedures that provide a process whereby gaming agents and security and surveillance are notified immediately when a voluntarily excluded person is detected in the gaming area of a casino.
13. 68 IAC 6-3-4(b)(3) provides casinos shall establish internal control procedures whereby the casino will refuse wagers from and deny gaming privileges to any voluntarily excluded person.
14. Horseshoe's approved internal control procedures, K-5, describe the procedures for the VEP.
15. On November 11, 2020, Surveillance notified Gaming Agents that a Voluntary Exclusion Program ("VEP") participant was on property and was attempting to redeem an NRT receipt for \$100 at the Cage. Upon further investigation, it was determined that the VEP had also been on property on November 1, 2020 attempting to redeem a cash advance receipt for an NRT at the Cage. The VEP was denied the transaction. Security responded and escorted the VEP off the property; however, Security never notified the Commission of the VEP's presence on the casino floor as required.
16. On March 5, 2021, the Regulatory Compliance Manager self-reported that a VEP was on property February 20, 2021. The Gaming Agents asked if any surveillance coverage was available, however, no surveillance coverage had been saved. A Table Games Supervisor thought he recognized the VEP as gaming prohibited but the player's card she presented was not an exact match. The last name was spelled slightly different; however, both accounts had the same date of birth and Illinois identification numbers. The VEP had created a new player card account on February 16, 2021 using the same identification.
17. On March 26, 2021, the Regulatory Compliance Manager self-reported that Internal Audit performed a review for all Indiana VEP members against the Caesars Responsible Gaming System Database and determined that eleven (11) VEP's with effective dates ranging from 2004-2017 were not flagged. It was confirmed that these patrons had not received any direct mail.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Horseshoe by and through its agents as described herein constitute a breach of IC 4-33, IC 4-38, 68 IAC, the Emergency Rules for Sports Wagering, and/or Horseshoe's approved internal control procedures. The Commission and Horseshoe hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Horseshoe.

Horseshoe shall pay to the Commission a total of \$14,500 (\$6,000 for Count I, \$1,500 for Count II and \$7,000 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in each Count above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Horseshoe agrees to promptly remit payment in the amount of \$14,500 and shall waive all rights to further administrative or judicial review.

This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

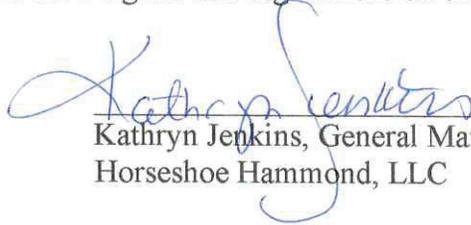
This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and Horseshoe.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

Sara Gonso Tait, Executive Director
Indiana Gaming Commission

Date

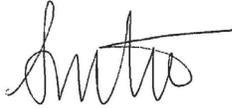


Kathryn Jenkins, General Manager
Horseshoe Hammond, LLC

5/12/21

Date

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

5/24/21

Date

Kathryn Jenkins, General Manager
Horseshoe Hammond, LLC

Date